

News Highlights

- According to trade sources in the company, Mohani tea has exported 13 tonnes of tea worth Rs. 50 lakhs to Nigeria this year. The company is exploring the Sub Saharan West African Region comprising countries like Mali, Burkina Faso and Nigeria.
- The Tea Trade Association of Coimbatore has requested the Tea Board to persuade the Ministry of Commerce and Industry to allocate funds for running the electronic auction. The Government could no longer support this e auction and the cost should be borne by the stakeholders of the industry from April 2015.
- The Centre has urged tea companies to increase funding in research to enhance productivity, explore scope of mechanisation improve quality and lessen climate risk for long –term sustainability.
- United Planters Association Of Southern India (UPASI), the apex body of south Indian planters, will launch the e-auction for tea from December. It will be conducted by UPASI Commodities Exchange (UCEL) on a platform developed by state-run MSTC. UPASI will ensure certain standards in sustainability, quality and traceability for commodities traded through the platform.
- The Tea Trade Association has raised concern over the Kochi port's decision to increase lease rent rates in Willingdon Island. This will affect several business establishments in the island, mainly on tea trade at a time when the Kochi Tea Auction Centre maintained its leading position in the total tea sales last year.
- Tea farmers in Kenya have been asked to pick only the recommended green tea leaves so as to control the declining international prices. Tea prices have been falling at the Mombasa auction centre amid supply of poor quality tea in the market.

Domestic Trade Scenario:

Indian Tea Auctions

There were no auctions in North India during the week following the festival of 'Dussehra'.

Cochin Tea Auction: Sale No: 40 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	101.68	1173654.40	940538.40
CTC Leaf	75.05	99798.00	71815.00
Orthodox Dust	66.21	21089.00	9939.00
Orthodox Leaf	128.15	161204.00	126381.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone at Kochi except CTC Dust variety during the week. Quantity offered on sale increased during the week compared to previous week. There was not much demand for CTC Dust variety. Plainer and medium varieties noticed weak tone. There was active buying from loose tea buyers and exporters. AVT, Hindustan Unilever Ltd., Kerala State Civil Supplies and Tata Global lent some support to the market. In the Leaf category, there was improved demand in the market for Nilgiri Broken and Whole Leaf. Fannings and Bolder Leaf noticed firm tone. Exporters, CIS countries and upcountry buyers were active in the market. Exporters bought Fannings and Tunisian buyers bought medium and plain teas. Prices are likely to be range –bound to firm in the coming days.

Coimbatore Tea Auction: Sale No: 40 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	85.88	225135.00	151836.00
CTC Leaf	77.65	119495.00	40833.00
Orthodox Dust	63.09	9118.00	3980.00
Orthodox Leaf	80.79	5236.00	2144.00

(Source: Paramount Marketing, Coimbatore)

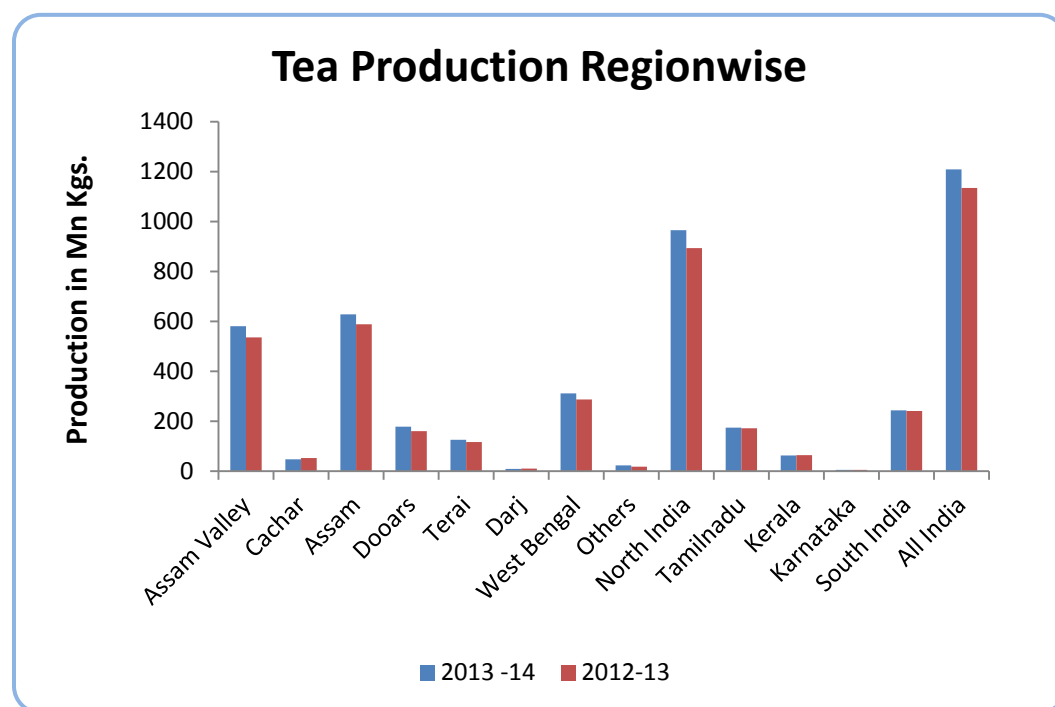
Prices noticed firm tone at Coimbatore tea auction except Orthodox Dust variety. Quantity offered on sale increased during the week compared to previous week. Enquiry from the exporters for leaf variety lent some support to the market. Prices are likely to continue positive tone in the near –term.

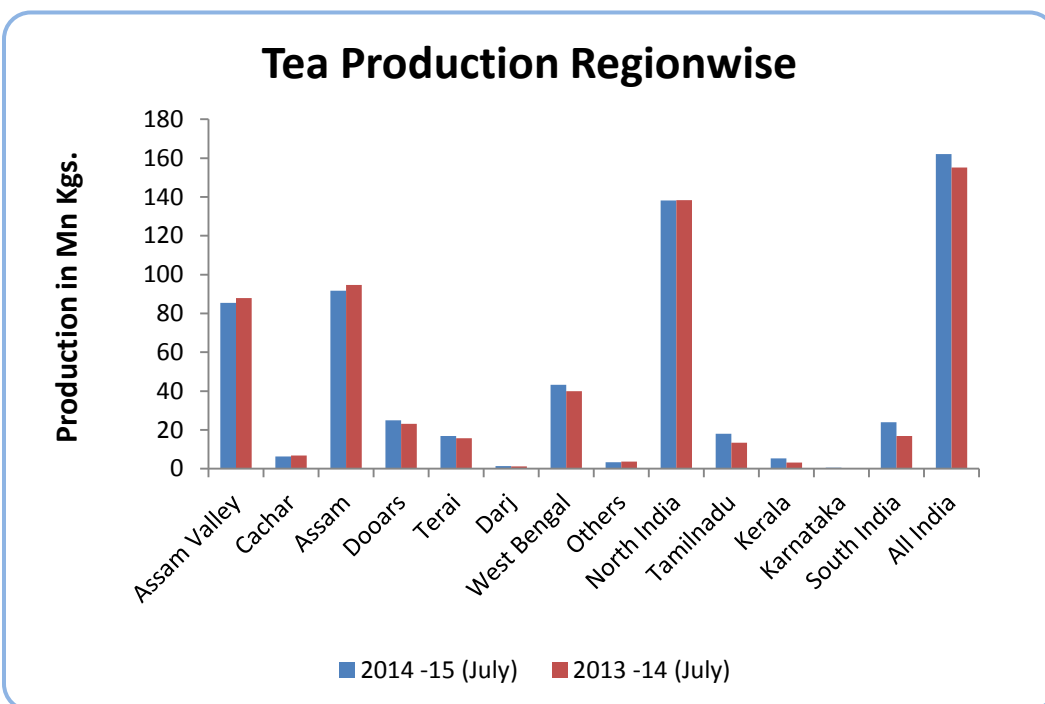
Coonoor Tea Auction: Sale No: 40 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	81.06	442243.50	288255.00
CTC Leaf	73.12	983002.00	672012.00
Orthodox Dust	89.79	69903.00	44623.00
Orthodox Leaf	87.67	58646.40	22199.60

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone at Coonoor tea auction during the week. Quantity offered on sale declined slightly during the week compared to previous week. There was some demand from the exporters in the market. Internal buyers lent some support to the market. Prices are likely to notice range –bound to weak tone in the coming days.





(Source: Tea Board)

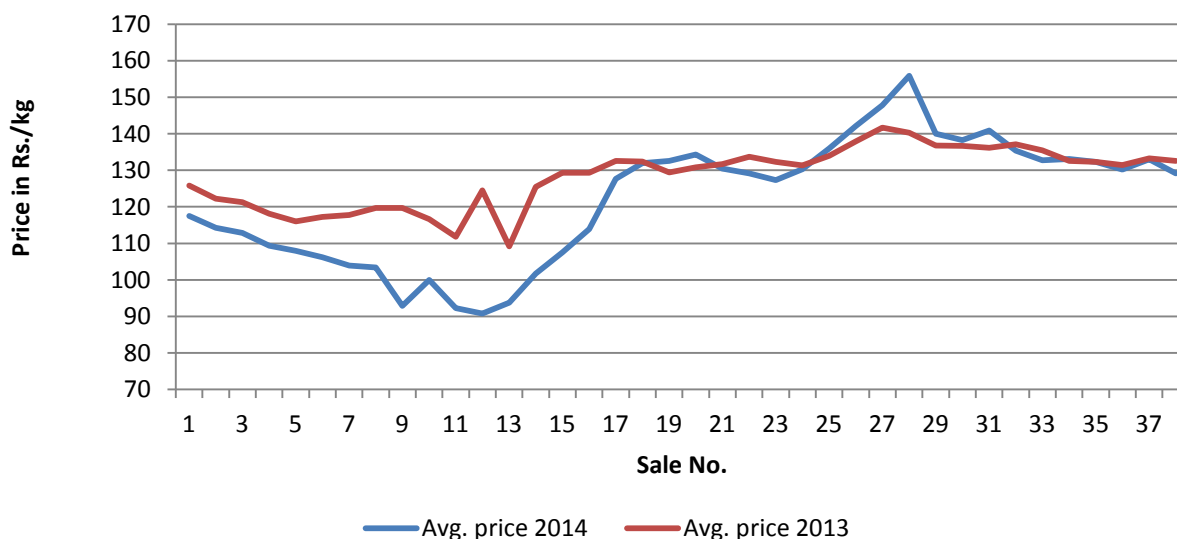
The above graph shows production comparison region wise during the last two years and in the month of May in comparison with previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increase in production in Assam. In the current year in the month of May, production of tea in India declined by 11.8% to 91.41 million kgs. in comparison with the same period last year following lack of suitable temperature and rainfall in north India.

REGIONWISE QUARTERLY EXPORTS (IN MILLION KGS.)

	NORTH INDIA			SOUTH INDIA			ALL INDIA		
	2014 (E)	2013	+/-	2014(E)	2013	+/-	2014(E)	2013	+/-
JAN – MAR	35.87	30.67	+5.20	23.53	22.03	+1.50	59.40	52.70	+6.70
APR – JUN	17.36	17.16	+0.20	17.77	18.72	-0.95	35.13	35.88	-0.75
JAN - JUN	53.23	47.83	+5.40	41.30	40.75	+0.55	94.53	88.58	+5.95

Source: Tea Board Of India

Salewise Price of All Tea at All India



The above graph shows the price comparison of All Tea at All India in 2013 and 2014. During the early part of the year (2014) in March and April, prices remained lower compared to previous year amid lack of export inquiry in the market and quality is not up to the mark at this time of the year. Currently the average prices of all tea are slightly lower compared to previous year amid lack of availability of good quality tea in the market. This year there is not much good demand for rain flush tea in the domestic and global market. Prices have declined slightly during the week compared to previous week.

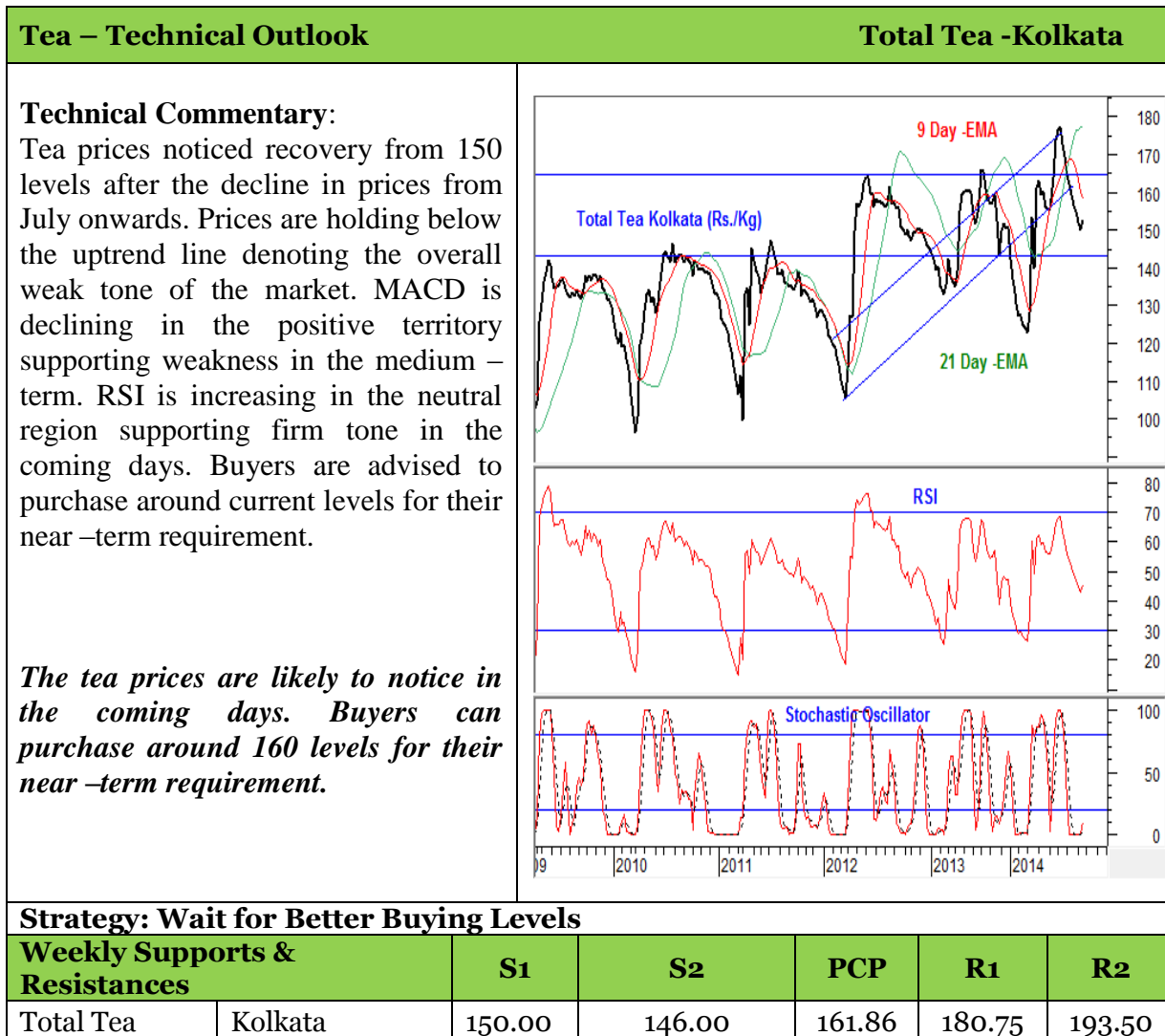
Weekly Average Prices at Indian Auction Centers for week ending 2014-09-20

Varie ty	Kolkata	Guwahat i	Siliguri	Jalpaig uri	Cochi n	Coonoo r	Coimbat ore	Tea Serve
CTC All Dust	152.43(145. 77)	135.82(131. 85)	124.20(116. 66)	93.14(85. 59)	98.45(N S)	74.67(87. 87)	75.91(99.81)	48.98(89. 14)
Total Tea	161.86(158. 47)	135.79(132. 28)	124.20(116. 66)	93.14(85. 59)	99.88(N S)	75.29(88. 11)	76.07(99.75)	48.98(89. 14)

(Figure in brackets denote prices during the same corresponding period in the previous year)

Variety	North India	South India	All India
CTC All Dust	137.45(132.44)	77.09(90.64)	125.32(126.85)
Total Tea	141.72(138.63)	78.51(90.74)	129.14(132.54)

(Source: Tea Board)



International Trade Scenario:
Srilanka Tea Auction (Colombo): Sale No: 38 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	500 - 570	500 - 630
Average Westerns	420 - 490	450 - 490
Plainer Westerns	390 - 420	415 - 440
Western Mediums	500 - 650	380 - 450
Uva Teas	330 - 470	320 - 480
Nuwara Eliya Teas	490 - 510	430 - 450
Udapussellawa Teas	340 - 490	340 - 480
CTC (BP1 and PF1)	320 - 510	380 - 740

In this week's auction, 6.38 million kgs of tea was offered for sale compared to 6.62 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP's/BOPF's noticed easy tone. High Grown and Mid Grown CTC's noticed weak tone and Low Grown CTC's noticed easy tone during the week. There was improved demand for liquoring leafy teas.

In the leaf category, Better PEK/PEK1's and a few bolder types noticed firm tone. In the Tippy catalogues, better made FBOP noticed steady tone and FF1's noticed firm tone during the week. The below best and plainer variety noticed firm tone during the week. Russian buyers were active and there was buying support from Iran, Saudi Arabia and other middle –eastern countries.

DETAILS OF TEAS AWAITING SALE

	40		39		38	
AUCTION NO.						
Dates	14 th /15 th October 2014		06 th /07 th October 2014		29 th /30 th September 2014	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	787	928,850 kg	739	878,864 kg	747	866,021 kg
Main Sale Total	11,688	6,278,343 kg	11,254	6,026,018 kg	10,413	5,511,122 kg
High & Medium	1,308	690,521 kg	1,125	576,711 kg	1016	508,345 kg
Low Growns Leafy	4,634	2,299,623 kg	4,393	2,169,502 kg	4,125	2,011,426 kg
	2,608	1,572,949 kg	2,531	1,510,267 kg	2,426	1,444,030 kg
Tippy						
Premium/Flowery	521	125,625 kg	477	116,532 kg	551	125,588 kg
Off Grades	2,154	1,146,764 kg	2,258	1,208,918 kg	1,916	1,063,660 kg
Dust	463	442,861 kg	470	444,088 kg	379	358,073 kg
Grand Total	12,475	7,207,193 kg	11,993	6,904,882 kg	11,160	6,377,143 kg
Reprints	902	460,652 kg	1,073	582,582 kg	1077	665,437 kg
Scheduled to Close (Ex)		25.09.14		18.09.14		11.09.14
Dates (Ms)		26.09.14		19.09.14		12.09.14

Scheduled Closing Dates

Auction No. 39 : 06th/07th October 2014

Ex Estate : 18.09.2014

Main Sale : 19.09.2014

Auction No. 41 : 21st/ 22nd October 2014

Ex Estate : 02.10.2014

Main Sale : 03.10.2014

Auction No. 40 : 14th/15th October 2014

Ex Estate : 25.09.2014

Main Sale : 26.09.2014

Auction No. 42 : 28th/29th October 2014

Ex Estate : 09.10.2014

Main Sale : 10.10.2014

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 38

AUCTION AVERAGE PRICES (US\$/Kg)

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2013	2014	2013	2014
36	\$ 2.20	\$ 2.04	\$ 2.13	\$ 1.92
37	\$ 2.19	\$ 1.98	\$ 2.14	\$ 1.85
38	\$ 2.15	\$ 2.00	\$ 2.10	\$ 1.92

(In Srilankan Rupees)

QUOTATIONS	BROKENS	FANNINGS
Best	271 - 508	312 -414
Good	290 – 324	313 – 321
Good Medium	283 – 285	309 – 319
Medium	234 – 292	258 – 298
Lower Medium	159 – 251	164 – 261
Plain	104 - 152	92 - 197

During the week better demand noticed for 8,175,492 kilos of tea on offer. Around 20.33% of the quantity offered on sale remained unsold. Brighter DUST1s were firm to USC3 easier with mediums firm to USC5 lower and prices of lower mediums were USC2 to USC10 lower during the week. Prices of Brighter BP1's USC4 to USC26, prices of mediums declined and prices of lower mediums were USC6 to USC8 lower. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BPs and PF's noticed firm tone. Well sorted clean coloury Fannings noticed easy tone and Dusts prices noticed firm tone during the week. Other Fannings and BMF's noticed weak tone. There was good buying interest from UK, Pakistan Packers, Yemen and other Middle –Eastern countries. There was less demand from Bazaar, Afghanistan and Iran. Somalia was less active during the week.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 38

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	16.280	880.180 Kg	9.180	490.900 Kg	55.77
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	16.280	880.180 Kg	9.180	490.900 Kg	55.77
C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.840	158.840 Kg	1.860	106.800 Kg	67.24
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.840	158.840 Kg	1.860	106.800 Kg	67.24
TOTAL	19.120	1.039.020 Kg	11.040	597.700 Kg	57.53

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
169	133-216	125-185	134-198	130-193	126-146	253-301

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
120-185	125-135	126-139	150-276	120-134

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
150-187	168-208	1750-198	175-220	130-185	154-178	---

Market offerings increased to 19,120 paper sacks from 17,440 paper sacks. There was lower demand in the market around current levels. Average price declined to USDcts 167.32 instead of USDcts 168.26 during last week's auction. Average price of Orthodox variety increased to USDcts 165.08 and average price of CTC increased to USDcts 176.47. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 57.53% during the period compared to 52.65% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	08/10/14	15/10/14	08/10/14	15/10/14
PTPN. IV	1.380 S	1.540 S	-	-
PTPN. VI	540 S	320 S	480 S	560 S
PTPN. VII	1.460 S	1.580 S	- S	- S
PTPN. VIII	13.520 S	13.020 S	1.860 S	2.360 S
PTPN. IX	1.040 S	480 S	-	-
PTPN. XII	- S	- S	560 S	520 S
Total Estate	17.940 S	16.940 S	2.900 S	3.440 S
Pagilaran	-	-	-	-
Total Private	--- S	--- S	--- S	--- S
Grand Total	17.940 S	16.940 S	2.900 S	3.440 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 20

(In US\$/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	162-173	Best	162-173
Medium	174-180	Good	174-180
Small	183-193	Medium	183-193
Plain	95-125	Plain	95-125

Tea prices at Bangladesh tea auction declined during the week amid large supplies in the market. Demand for quality leaf lent some support to the market. The average price of tea during this week's auction was around USD 2.39/kg. Around 2.45 million kgs of tea was offered for sale and nearly 20.5 percent remained unsold.

There was good demand from blenders and loose tea buyers for bright liquoring teas. 7,199 packages and 397 packages CTC Leaf of previous season noticed good demand. 7,146 packages of teas on offer of CTC Dust noticed good demand around lower levels. In CTC Dust, good liquoring varieties were firm to slightly dearer and medium levels noticed steady tone. Good liquoring Broken varieties noticed demand around higher levels. Good liquoring varieties in fannings also noticed good buying support. Good liquoring Dusts noticed firm tone during the week.

(Source: National Brokers Limited)

WORLD CROP STATISTICS IN (Mn/kgs)

<i>Country</i>	<i>MONTH</i>	<i>2014</i>	<i>2013</i>	<i>CUMULATIVE</i>	<i>2014</i>	<i>2013</i>	<i>CUMULATIVE</i> <i>+ INC/-DEC.</i>
<i>Sri Lanka</i>	<i>Aug</i>	24.77	26.59	<i>Up to Aug</i>	226.79	223.39	+ 3.4
<i>North India</i>	<i>July</i>	138.20	112.2	<i>Up to July</i>	398.48	420.80	- 22.32
<i>South India</i>	<i>July</i>	23.89	16.88	<i>Up to July</i>	144.54	133.09	+ 11.45
<i>Kenya</i>	<i>July</i>	30.79	26.23	<i>Up to July</i>	255.98	251.85	+ 4.13
<i>Bangladesh</i>	<i>July</i>	8.9	10.1	<i>Up to July</i>	25.2	25.3	- 0.1
<i>Malawi</i>	<i>July</i>	1.4	1.7	<i>Up to July</i>	36.3	31.9	+ 4.4

(Source: John Keells Tea Brokers)

World tea production has been increasing over the years. With more medicinal value of tea being highlighted, the consumption is set to increase in the coming years. However in the current year till May, production has declined in the major countries except Bangladesh and Malawi. According to Indian Tea Association, consumption of tea is increasing at an annual rate of 3 per cent. In the current financial year in India, production of tea has been affected in the months of April and May in North India following lack of suitable temperature and rainfall in the growing regions.

Currency	04-10-2014	27-09-2014
USD	61.53	61.57
Srilankan Rupee	0.4723	0.4669
Indonesian Rupiah	0.0050	0.4723
Kenyan Shilling	0.6894	0.6902
Bangladeshi Taka	0.7963	0.7963

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to firm tone during the week. Trading activities remained lack –luster and there was not much demand from the internal buyers following the festival of ‘Dussehra’ during the week. The quality of tea is likely to improve in the coming days after the withdrawal of south –west monsoon in the tea growing regions. Prices are likely to be steady to firm in the near –term.

In the global market, prices noticed mostly weak tone amid lack of demand in the market. Future offerings is expected to increase in Srilanka and decline in Indonesia. Weather remains conducive in the tea growing regions in the global market. Prices are likely to decline in the coming days.

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